
Health Equity and Cost Containment

Oregon Health Policy Board
October 6, 2020



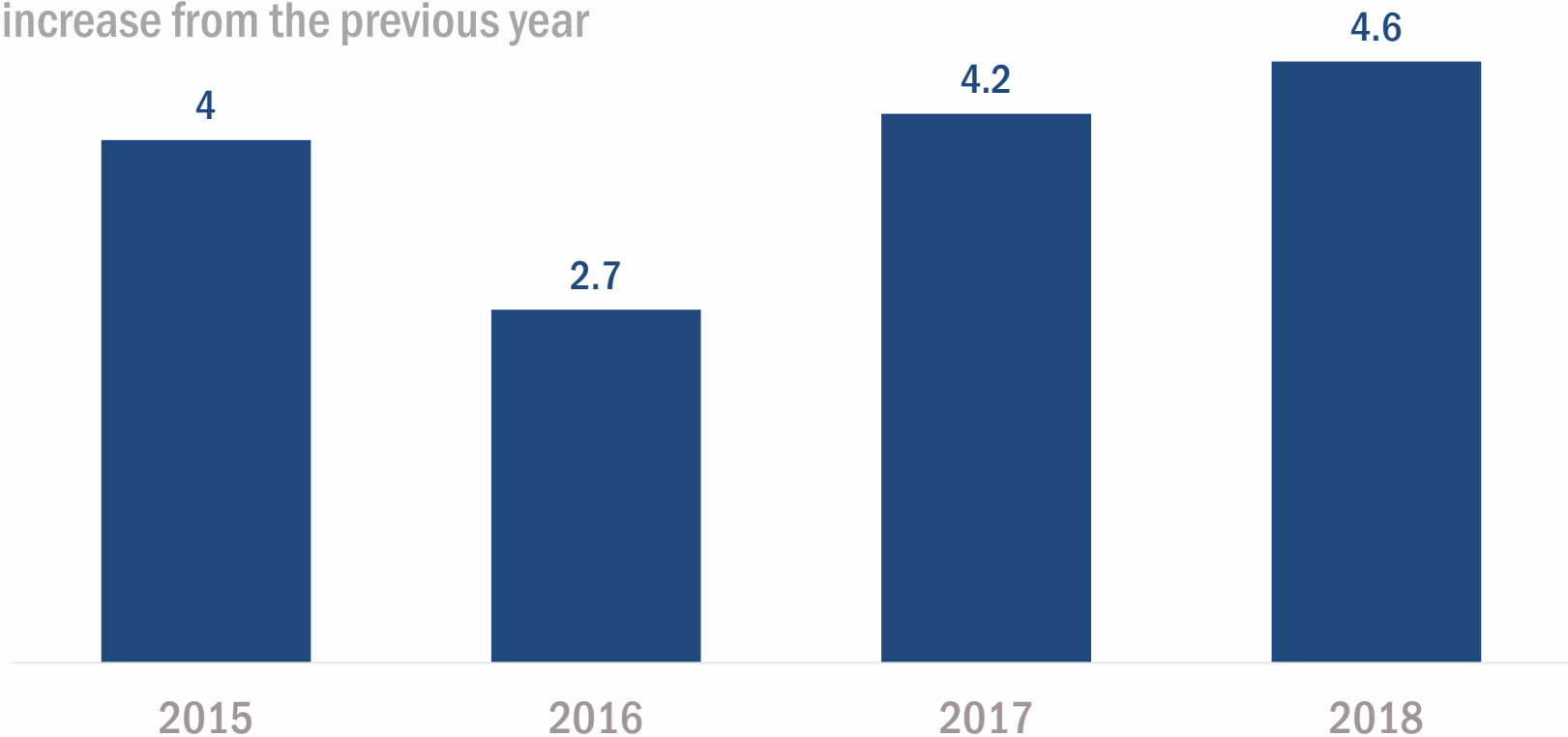
Overview

Kirsten Isaacson

Stan Edwards

National health care spending continues to increase

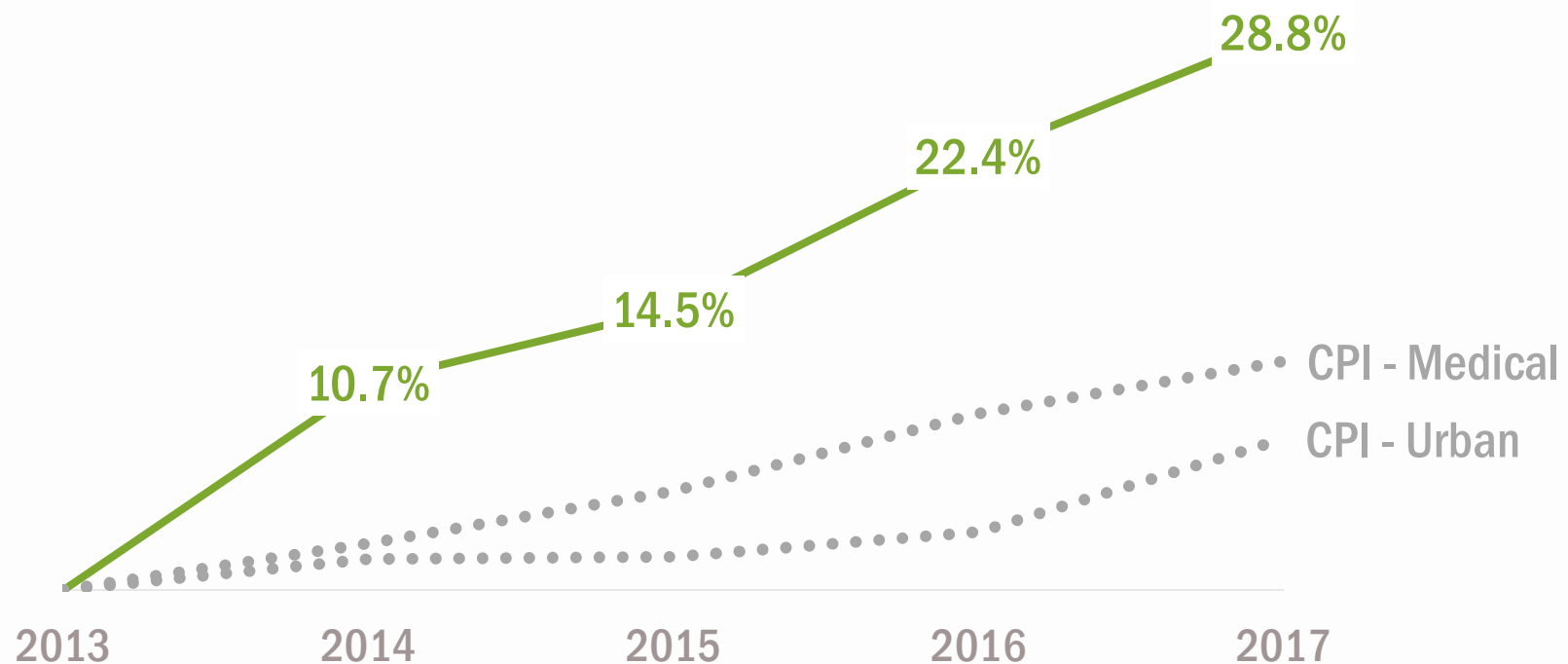
Annual increase in national health care spending, reported as the percent increase from the previous year



Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, National Health Expenditure Data 2018

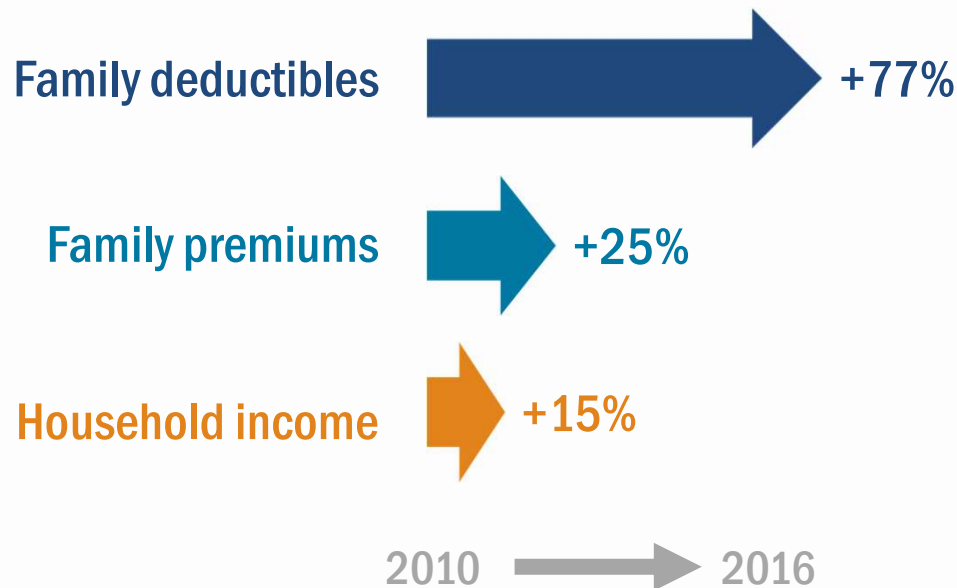
Costs are increasing in Oregon, too

Total paid amounts per person increased 6.5 percent on average from 2013-2017.

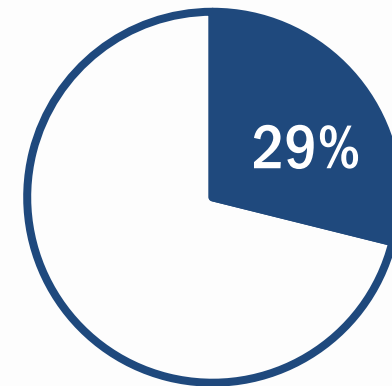


The burden of health care costs is high for Oregon families

Oregon **premiums** and **deductibles** are growing faster than **household income**.
(Percent change 2010-2016)



In 2016, Oregon premiums equated almost a third of a family's total income.



Source: "The Burden of Health Care Costs for Working Families" Penn LDI, April 2019

Uninsured Oregonians were 2x as likely to report delaying care because of cost

Percent of Oregonians who reported they delayed any type of care in the past year because of cost, by insurance status

All Oregonians

15.7%

Uninsured

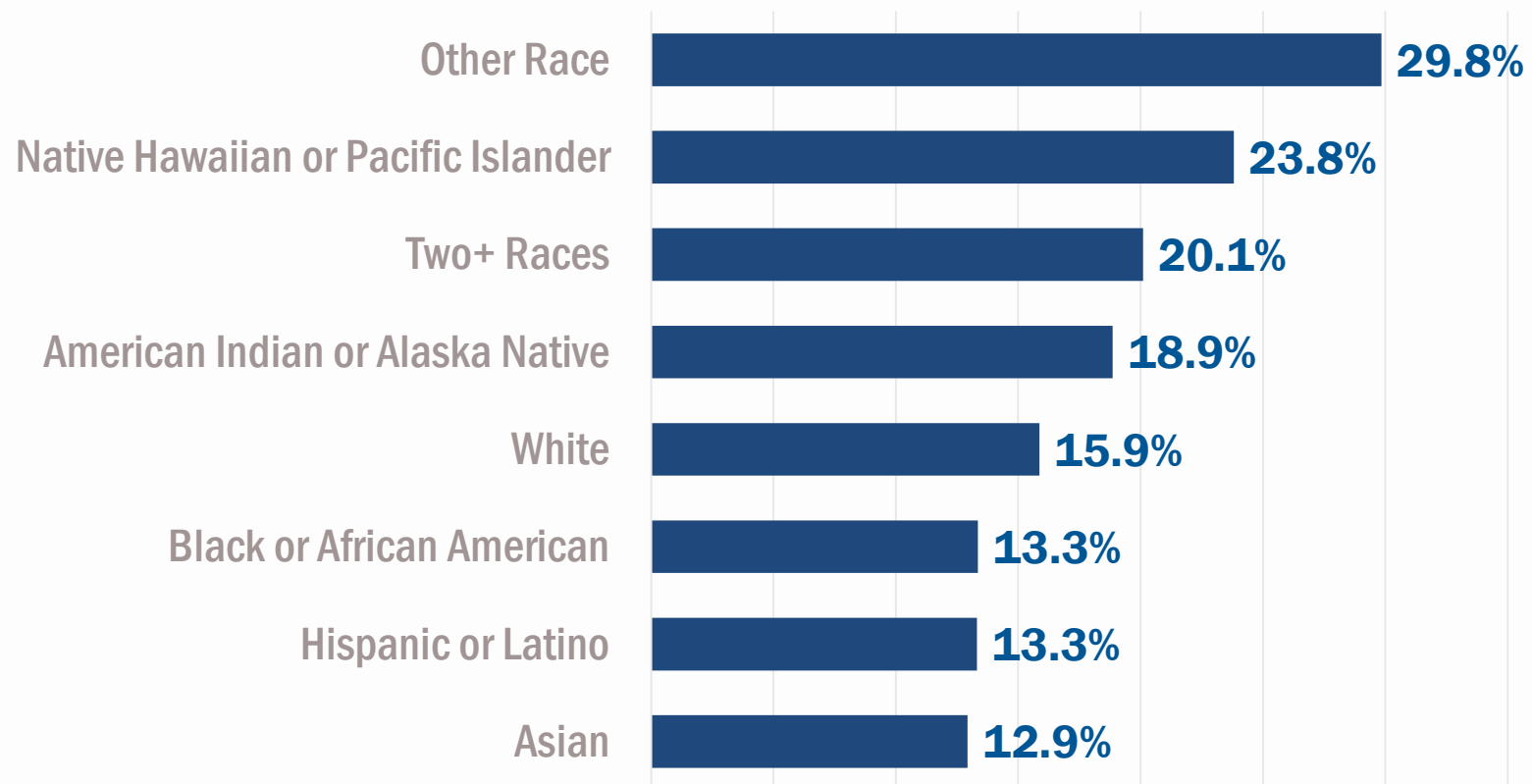
35.2%

Insured

14.5%

Source: Oregon Health Insurance Survey, 2019

Percent of Oregonians who reported they delayed any type of care in the past year because of cost, by race/ethnicity

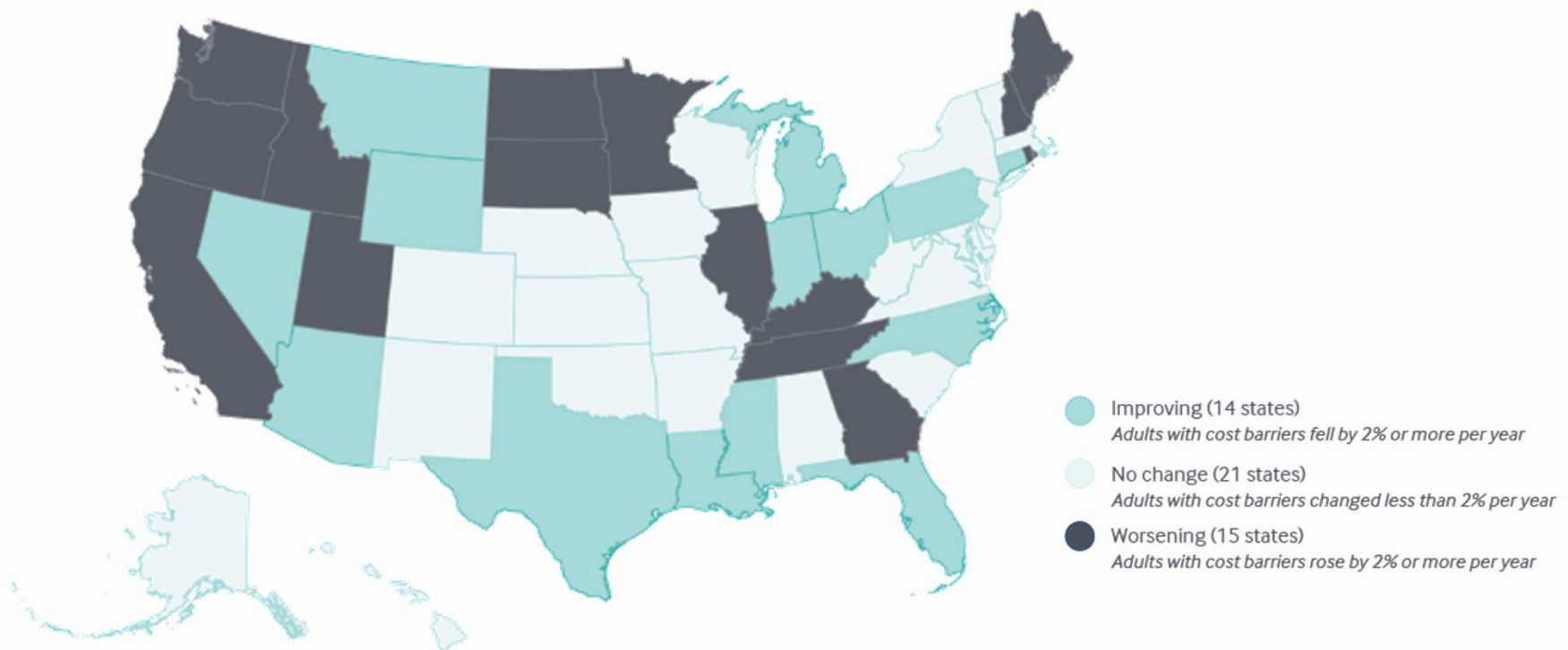


Source: Oregon Health Insurance Survey, 2019

Oregon is one of 15 states where cost barriers worsened between 2016-2018

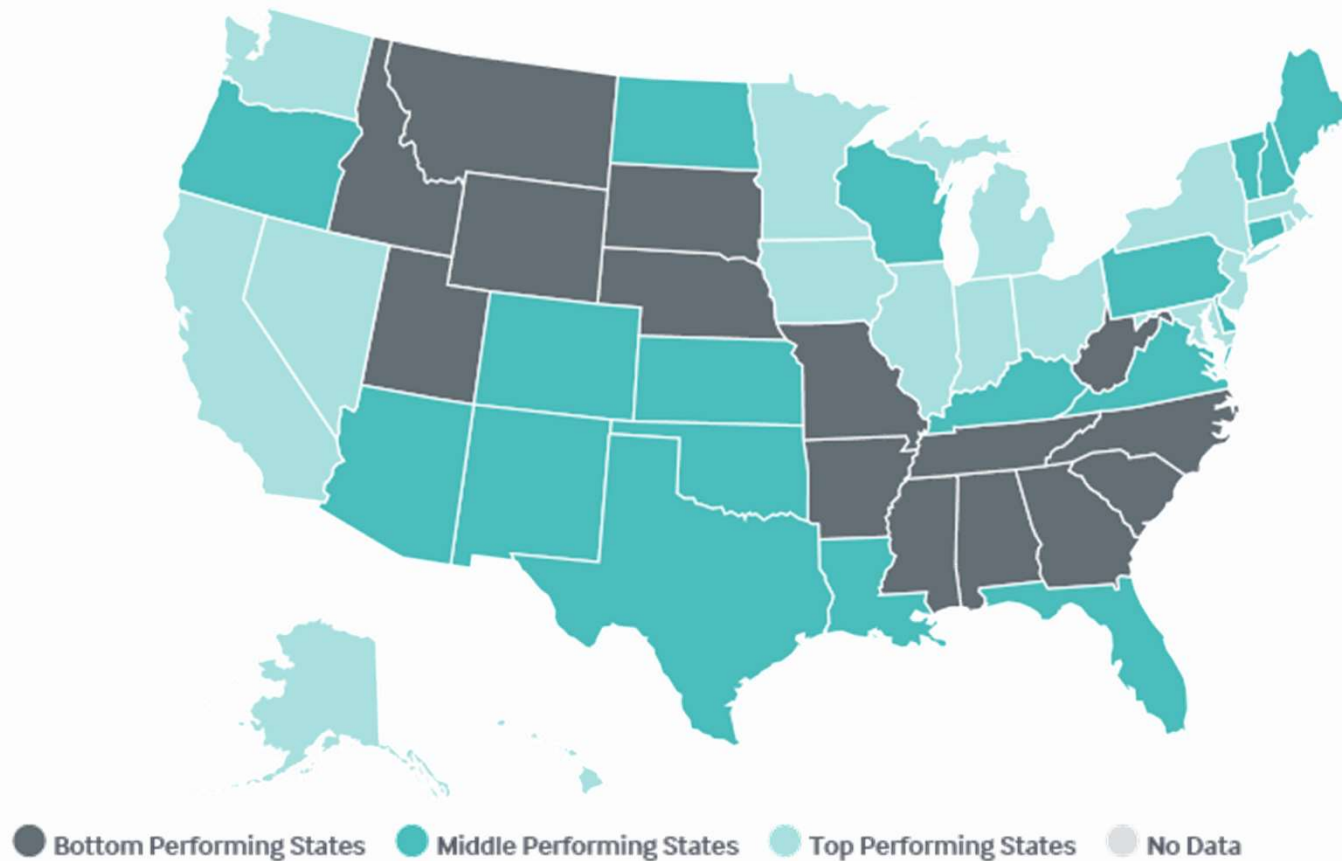
adults reporting they went without care because of cost

Average annual percent change, 2016 to 2018



Source: Commonwealth Fund 2020 Scorecard on Health System Performance
2016-2018 BRFSS data

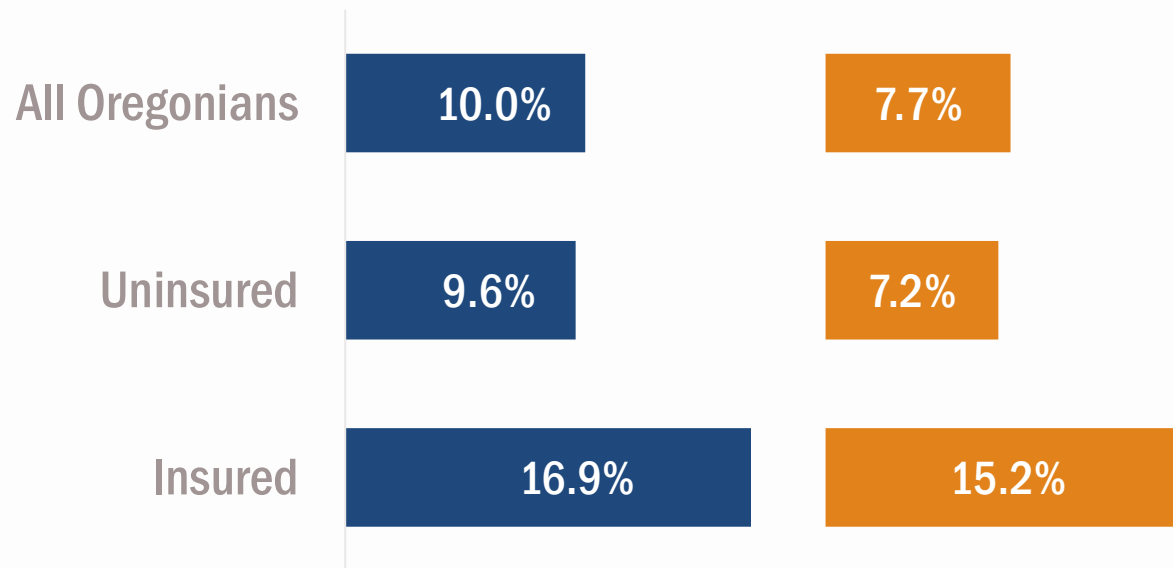
9.3% of Oregonians have high out-of-pocket medical costs relative to their annual income



Source: Commonwealth Fund 2020 Scorecard on Health System Performance
2017-2018 Current Population Survey Annual Social and Economic Supplement (CPS ASEC)

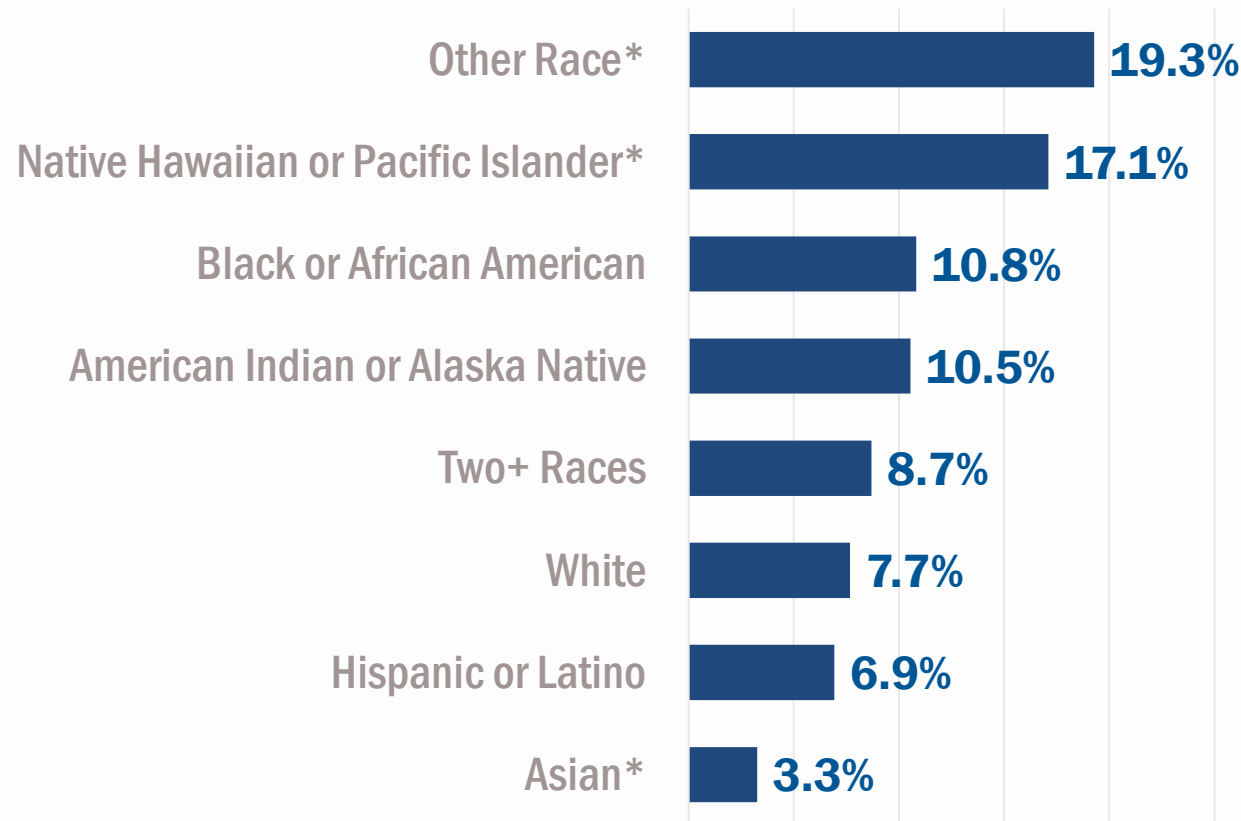
Insured Oregonians were more likely to report difficulty paying medical bills

Percent of Oregonians who reported they were unable to pay medical bills **over time** and in the **past year**, by insurance status



Source: Oregon Health Insurance Survey, 2019

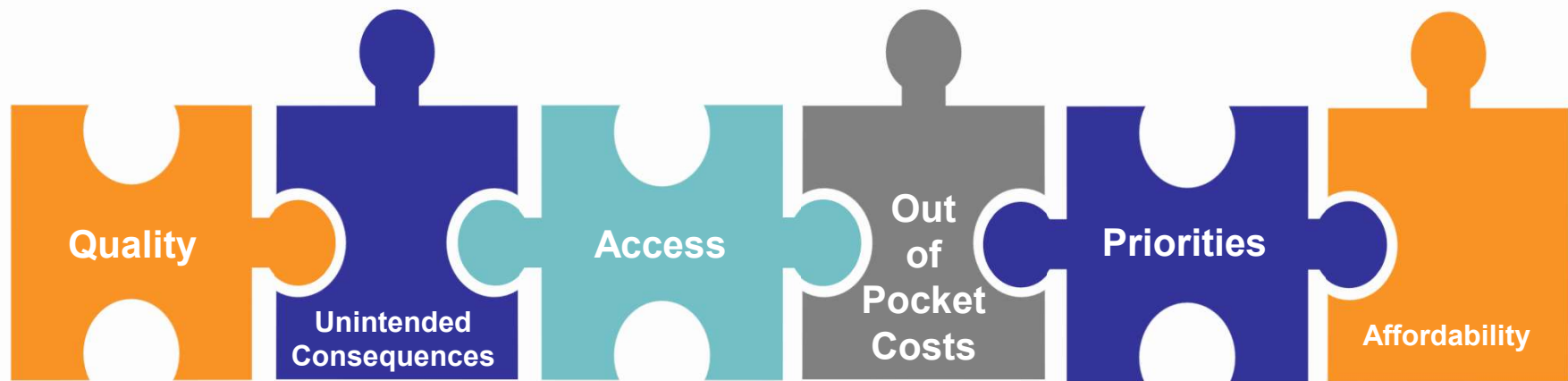
Percent of Oregonians who reported they were unable to pay medical bills *in the past year*, by race/ethnicity



* Interpret data with caution. Sample sizes are small for this group.

Source: Oregon Health Insurance Survey, 2019

Equity is fundamental to cost containment strategies





INDUSTRY CONSOLIDATION

HEALTHCARE WORKFORCE

OUTCOMES

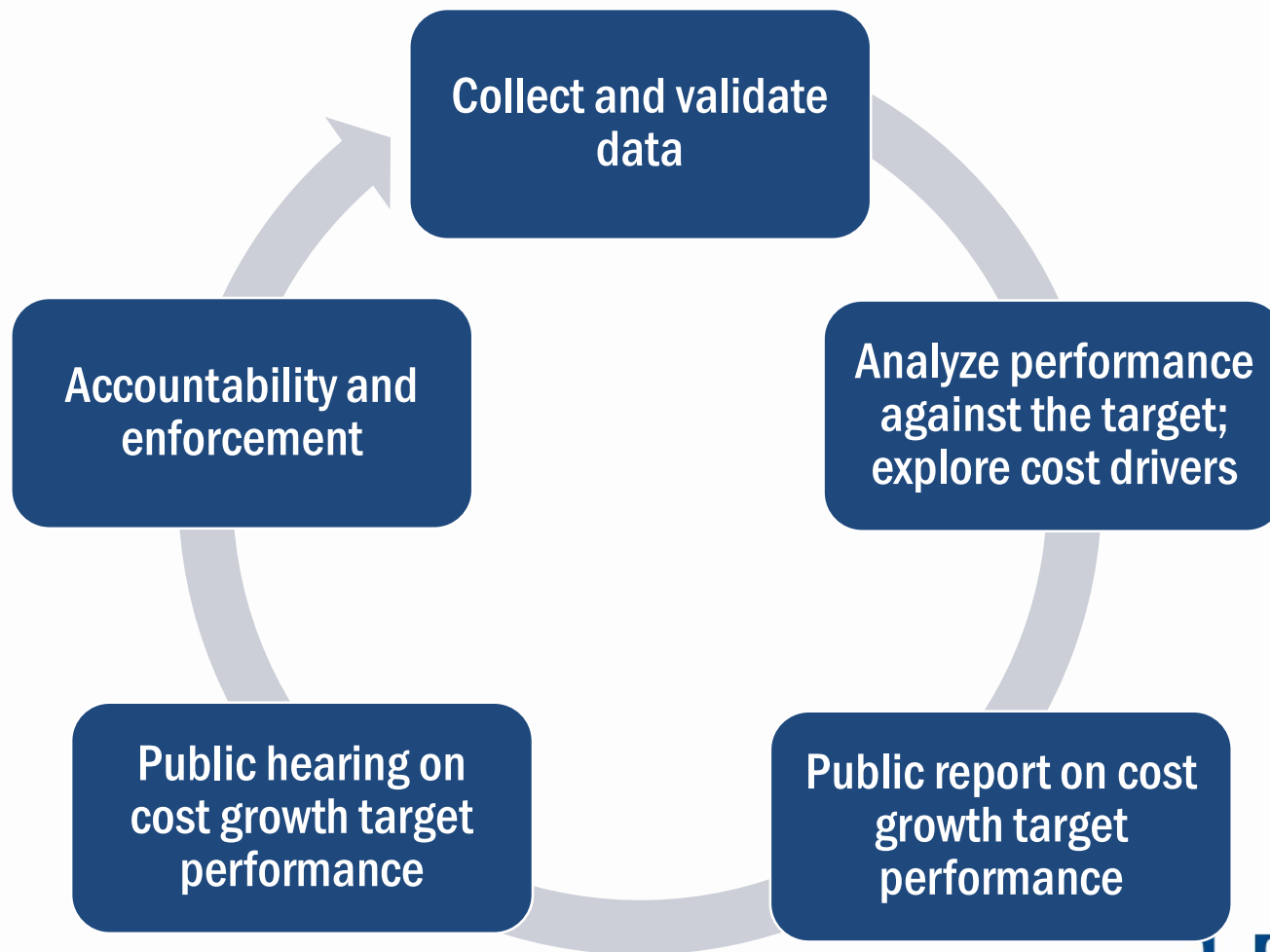
OHPB & Cost Containment

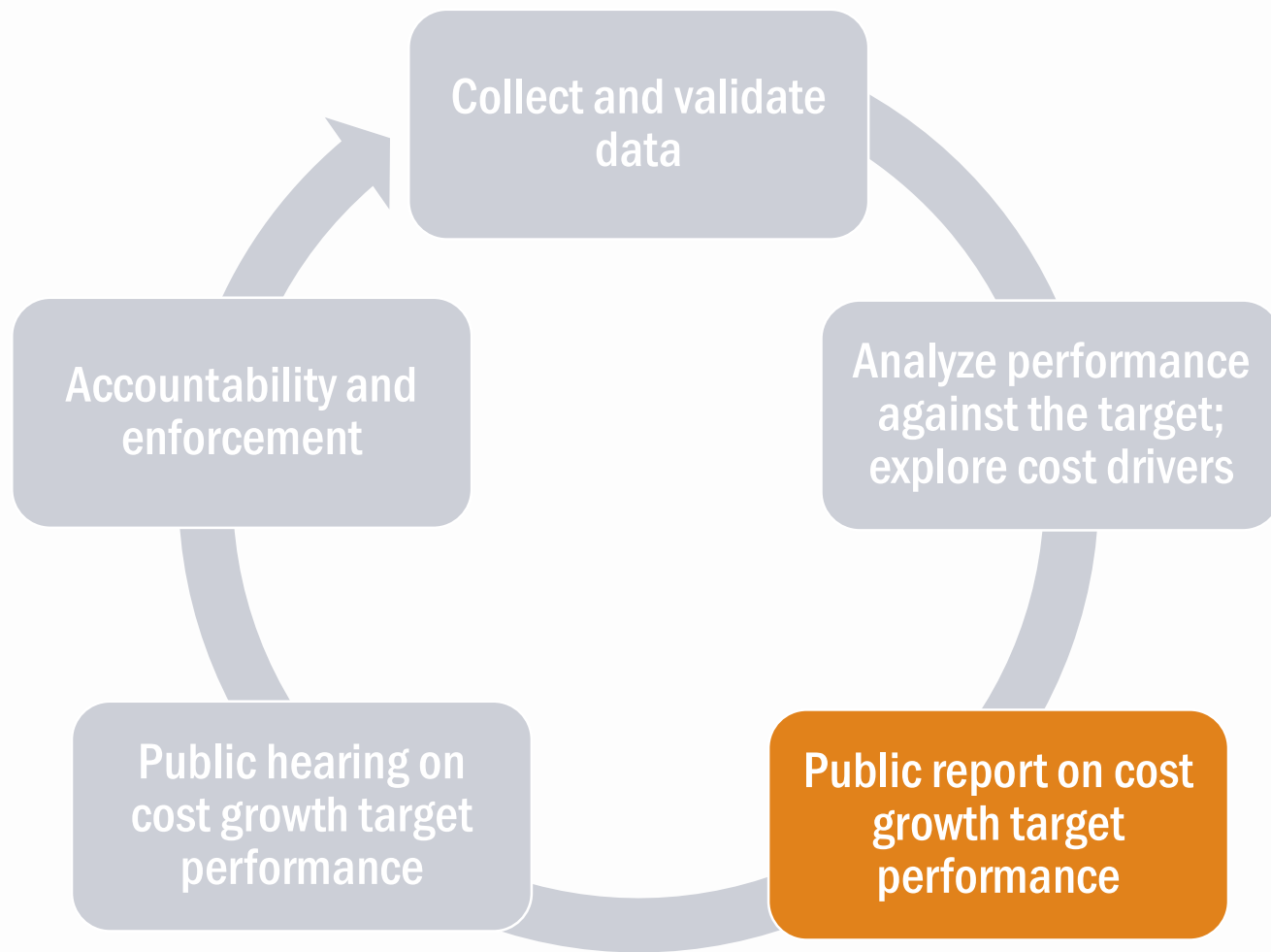
Jeremy Vandehey

SB 889 established the Cost Growth Target Program under OHPB

“The Health Care Cost Growth Benchmark program is established. The program shall be administered by the Oregon Health Authority in collaboration with the Department of Consumer and Business Services, subject to the oversight of the Oregon Health Policy Board.”

Cost Growth Target Program Cycle





Public Reporting Timeline

Data collection year

2018

2019

2020

2021

2022

2029

2030

Practice year

First look at impact of COVID-19

First performance year

Second performance year

Ongoing annual process.....

Tenth performance year

**Staff Recommendation:
Timing of Public Reporting**

State and market

State and market

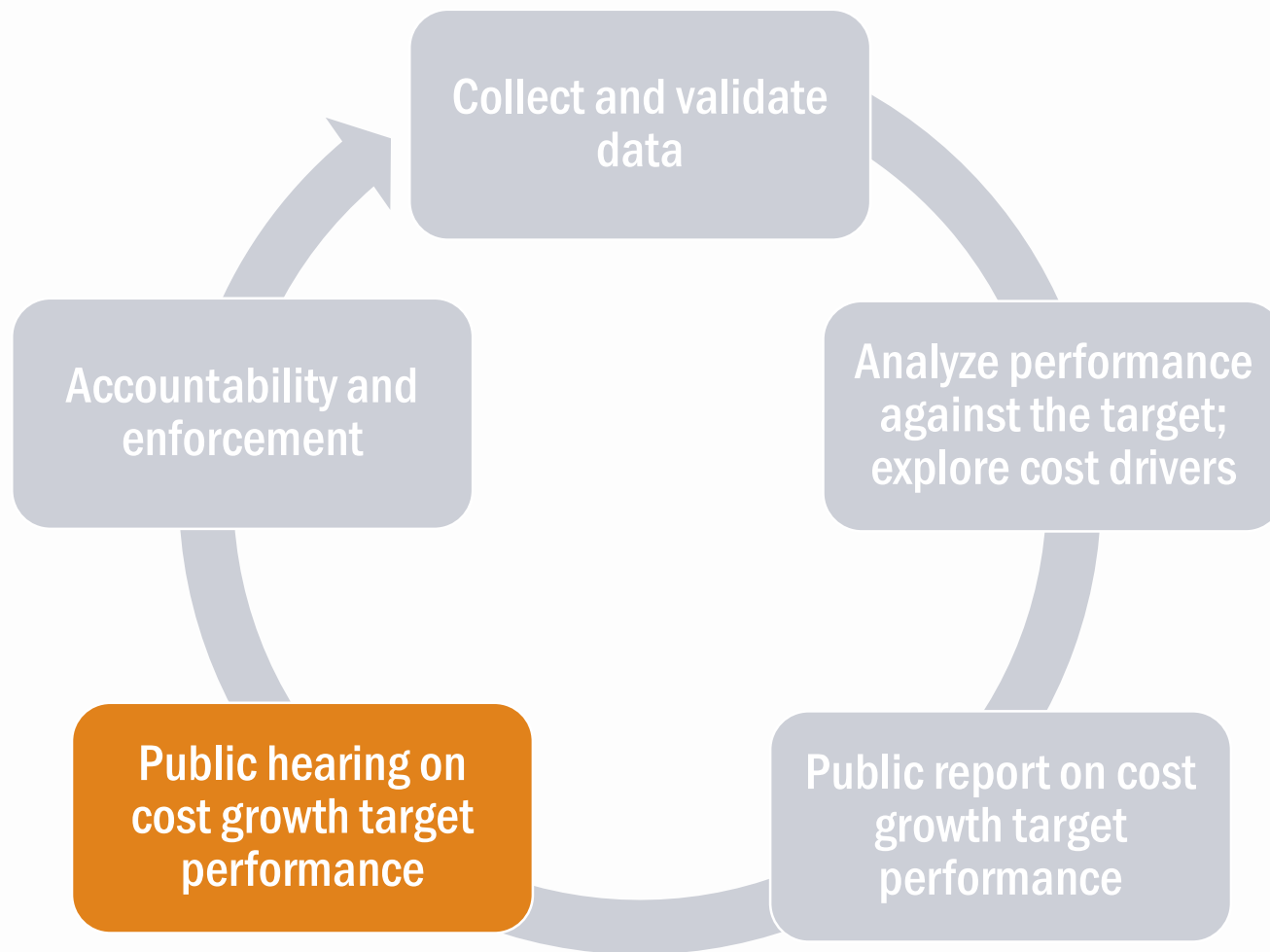
State, market,
insurer, large
provider and
regional levels

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	First Public Report	Impact of COVID-19 Report	First Performance Report
Release Date (est.)	2021	2021	2022
Years	2018-2019	2018-2020	2018-2021
Performance relative to the cost growth target	<i>Change 2018-2019</i> <ul style="list-style-type: none"> • State level • Market level 	<i>Change 2019-2020</i> <ul style="list-style-type: none"> • State level • Market level 	Change 2020-2021 <ul style="list-style-type: none"> • State level • Market level • Insurer level • Provider level
Underlying cost trends	Initial look at cost drivers	Impact of COVID-19 on cost drivers	Deeper look at cost drivers, including price variation
Impact of the cost growth target	Baseline analysis of premiums, quality, and consumer spending	Impact of COVID-19 on premiums, quality, and consumer spending	Deeper look at impacts and adverse consequences

Implementation Committee's recommendation for public reporting

1. Public reports, based on the Data Use Strategy
2. Public data files



How it works in Massachusetts



Video link: <https://youtu.be/zPQour3IFkQ>
(forward to timestamp 1:08:30)

Implementation Committee's recommendation for public hearings

Include the elements used by Massachusetts in a formal but collaborative approach, including invited presentations from:

- Payers and providers performing at or below the target
- Payers and providers performing above the target
- Employer purchasers
- Consumer advocates
- Executive and legislative branch representatives

Ensure participation of an appropriate cross-section of stakeholders and geographies, and that hearings are engaging / interesting to the public

Make space for public comment.

Consider regional listening sessions and learning collaboratives






OHPB Role?

- Convene annual public hearings
- Review performance against the target
- Establish ongoing cost committee

Committee Updates

Jeremy Vandehey

Jack Friedman

Key Recommendations		Status
 Cost Growth Target	Define total health care expenditures, identify included populations and markets	✓
	Select initial cost growth target	✓
	Specify frequency and manner for reevaluating and updating the cost growth target	✓
 Data Use Strategy	Determine how to measure performance against the target	✓
	Recommend principles for the data use strategy	✓
	Recommend what types of data OHA should collect and report upon	✓
 Quality and Equity	Recommend what types of analyses should be conducted	✓
	Recommend frequency and format for public hearings	✓
	Recommend principles for measuring the quality of care	Oct 6
 Accountability	Recommend principles for addressing equity	Oct 6
	Recommend future governance structure	Nov 24
	Recommend accountability and enforcement mechanisms	Nov 24
 Taking Action	Recommend technical assistance and support payers and providers need to meet the cost growth target, and opportunities to provide technical assistance	In process
	Recommend opportunities to use innovative payment models to address cost and quality	In process

What is the health care cost growth target?

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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Cost growth target = 3.4%

First five years

Informed by historical GDP and
historical median wage

Cost growth target = 3.0%

Next five years

An advisory group will reconvene before 2026 to determine
if the cost growth target of 3.0% is appropriate

Where does the cost growth target apply?

Statewide

Statewide

Market Level

Medicare

Medicaid

Commercial

Insurer Level

Fee-for-service

MA Insurers

Fee-for-service

CCOs

Insurers*

Provider Level

Large Providers with Attributed Members

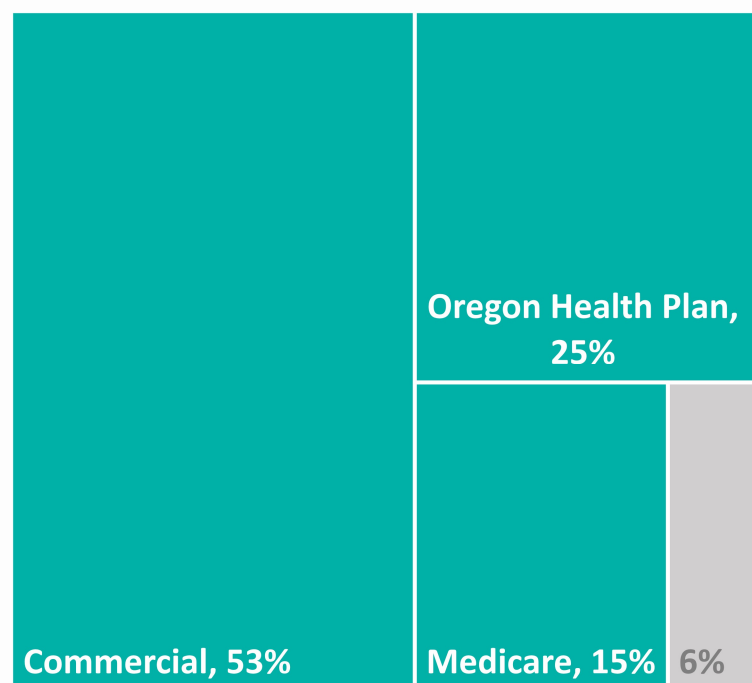
Small Providers with Attributed Members
(providers not separately identified)

Spending for Unattributed Members

*for insured and self-insured business

Whose spending is included?

Spending on behalf of >90% of Oregon residents who are insured by Medicare, Medicaid or commercial insurance, or are self-insured for commercial coverage, and receive care from any provider in or outside Oregon.



Spending by the Indian Health Services for Oregon residents and for Oregonians incarcerated in a state correctional facility will be included to the extent that their data are accessible and comparable, and data collection can be replicated over time. Out of state residents who receive care from Oregon providers may be included should the data be reportable, consistent across insurers, and replicable over time.

Committee Progress Report

Submitted progress report to Legislature in late September with information about Implementation Committee decisions in each workstream to date.

Sustainable Health Care Cost Growth Target

Implementation Committee Status Report to
the Oregon Legislature

Senate Bill 889 (2019)
September 30, 2020

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<https://www.oregon.gov/oha/HPA/HP/Pages/Sustainable-Health-Care-Cost-Growth-Target.aspx>

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Key Decisions Remaining

- ✓ A plan for measuring quality
- ✓ A plan for addressing health inequities
- ✓ Ways to support providers in meeting the target
- ✓ Accountability and enforcement options
- ✓ Future governance for the program

Final recommendations report will be presented for OHPB approval Jan 2021

Next Committee Meeting

Today, Oct 6th 1 – 5 pm

Agenda:

- Steps to increase VBP adoption
- Criteria for reporting payer / provider performance
- Quality and Equity

For More Information

All Committee meeting materials and recordings available at:
<https://www.oregon.gov/oha/HPA/HP/Pages/Sustainable-Health-Care-Cost-Growth-Target.aspx>

SB 889:

<https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/SB889/Enrolled>

Contact us:

HealthCare.CostTarget@dhsoha.state.or.us